

HOUSE JOINT MEMORIAL 57

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE INSURANCE DIVISION OF THE PUBLIC REGULATION
COMMISSION TO FORM A TASK FORCE TO STUDY AND IMPLEMENT A
VOLUNTARY HEALTH INSURANCE EXCHANGE TO PROVIDE INDIVIDUALS AND
EMPLOYERS WITH GREATER ACCESS TO AND GREATER CHOICE,
PORTABILITY AND AFFORDABILITY OF HEALTH INSURANCE PRODUCTS.

WHEREAS, a health insurance exchange is a mechanism to
facilitate the purchase of health insurance by individuals and
families that functions as a clearinghouse, but not a regulator
or purchaser, for approved health insurance products offered by
private insurance companies; and

WHEREAS, an exchange collects and consolidates premium
payments and forwards them to insurance companies on behalf of
individuals, families and participating employers; and

WHEREAS, in an exchange model, employers participate on a

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1 voluntary basis and can designate the exchange as their group
2 health benefit plan administrator, thereby ensuring that all
3 defined contributions to the exchange will extend to individual
4 employees the federal and state tax benefits that are currently
5 limited to employers; and

6 WHEREAS, employers can also extend the opportunity to
7 purchase health insurance coverage to all of their employees,
8 including part-time and contract employees, through a Section
9 125 plan; and

10 WHEREAS, Section 125 plans enable employees to purchase
11 health insurance using pre-tax contributions; and

12 WHEREAS, insurance plans sold through an exchange are
13 portable, allowing individual participants the opportunity to
14 retain the same health plan if they change jobs or lose their
15 jobs; and

16 WHEREAS, a well-designed health insurance exchange
17 functions like a single, centralized market in which
18 individuals can purchase a variety of health insurance
19 products, including traditional health insurance plans, health
20 maintenance organizations, health savings accounts and other
21 coverage options that may emerge in response to consumer
22 demand; and

23 WHEREAS, an exchange reduces the administrative burden on
24 employers who choose to participate by removing the
25 responsibility of selecting group coverage for their workers

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1 and administering health benefit plans; and

2 WHEREAS, a health insurance exchange can contract with
3 publicly funded or subsidized health care agencies to provide
4 health care benefits for the eligible participants of those
5 agencies; and

6 WHEREAS, a health insurance exchange would provide greater
7 access to and greater choice, portability and affordability of
8 health insurance coverage in New Mexico; and

9 WHEREAS, an exchange offers to individuals and small
10 businesses many of the same advantages that currently are only
11 available to large businesses, and an exchange potentially
12 increases access to health insurance coverage, has the
13 potential to lower or contain individual health insurance
14 premium costs and provides flexibility to employers in offering
15 health insurance benefits to their employees; and

16 WHEREAS, the insurance industry has in place a system of
17 plans and experts, agents and brokers who are trained and
18 experienced in the business of health insurance; and

19 WHEREAS, the health insurance industry has the potential
20 voluntarily to organize and implement a health insurance
21 exchange without a legislative mandate;

22 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
23 STATE OF NEW MEXICO that the insurance division of the public
24 regulation commission be requested to form a task force to
25 study and implement a voluntary health insurance exchange to

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1 provide individuals and employers with greater access to, and
2 greater choice, portability and affordability of, health
3 insurance products; and

4 BE IT FURTHER RESOLVED that the task force investigate the
5 potential for and limitations of pretax benefits and tax
6 deductions with the establishment of a health insurance
7 exchange; and

8 BE IT FURTHER RESOLVED that the task force explore
9 administrative structures appropriate to administer a health
10 insurance exchange, including a nonprofit public corporation
11 separate and apart from the state; and

12 BE IT FURTHER RESOLVED that the task force examine the
13 potential of a health insurance exchange to lower or contain
14 the cost of health insurance premiums, particularly in the
15 individual market; and

16 BE IT FURTHER RESOLVED that the insurance division of the
17 public regulation commission collaborate with the New Mexico
18 health policy commission, the human services department, the
19 New Mexico health insurance alliance, the New Mexico medical
20 insurance pool and other agencies that have expertise and
21 interest in the topic; and

22 BE IT FURTHER RESOLVED that the findings and
23 recommendations of the task force and a report on the progress
24 of implementation of a voluntary health insurance exchange be
25 presented to the interim legislative health and human services

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1 committee by November 1, 2009; and

2 BE IT FURTHER RESOLVED that a copy of this memorial be
3 transmitted to the insurance division of the public regulation
4 commission.

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